



An Energy Efficiency Workshop & Exposition

Palm Springs, California

Please be courteous to our speakers



***Turn off all cell phones
and
Set pagers to vibrate***





An Energy Efficiency Workshop & Exposition

Palm Springs, California

Utilities
Responding to Changes in the Industry

Utility Incentive Programs:
The Fermilab/DOE Experience
Steve Krstulovich – Program
Mgr.



Background of UIP

- Utility Situation
 - Public Utility Commission DSM emphasis
 - Increasing competitive pressure
 - New sources of revenue required
 - Enhanced customer focus critical
- Federal Facilities
 - Declining budgets
 - Mandated conservation goals
 - Deteriorating infrastructure

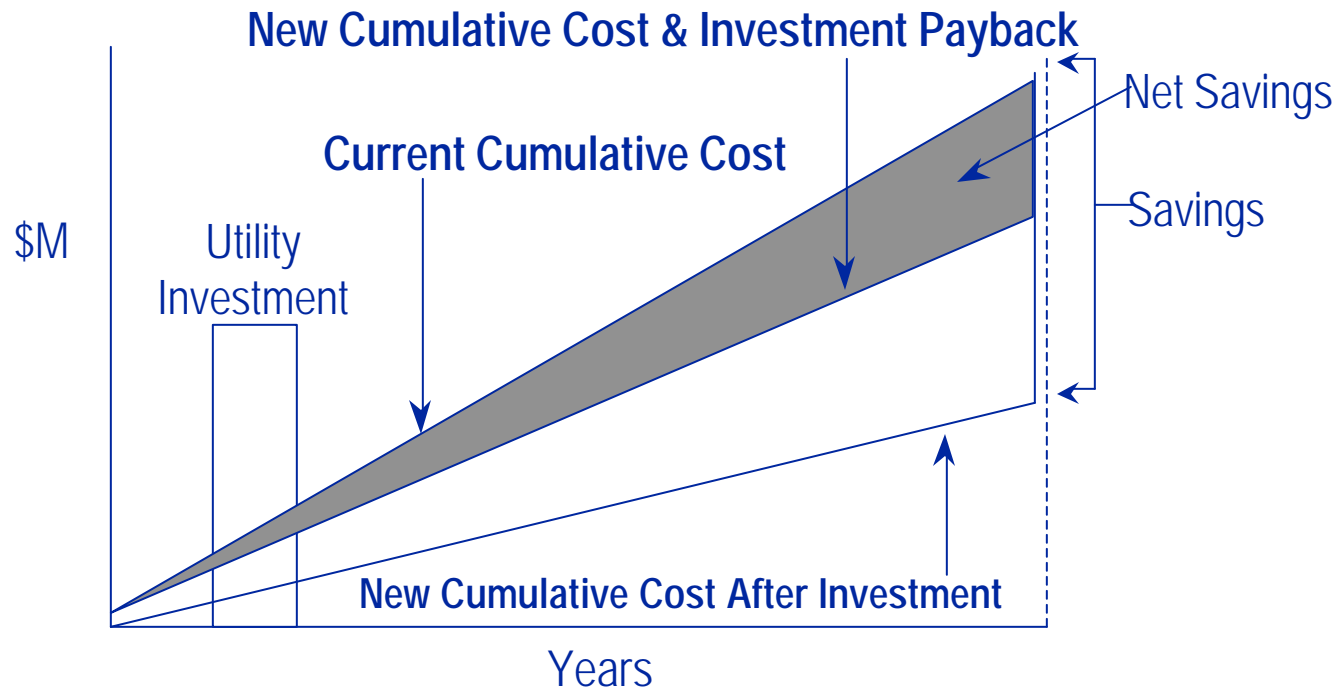


Benefits of UIP

- No-Cost audits (incentive)
- Streamlined procurement
- Comprehensive focus
- Active involvement from site personnel
- Third party expertise and funding
- No upfront payments
- Infrastructure reinvestment



UIP Performance Contracting (UESC)





Local Benefits

- Finding better comprehensive solutions
 - System synergies
 - Value engineering
 - Reduced vulnerabilities
- Site cultural energy awareness
 - Increased communication/participation
 - Developing new opportunities
 - Growing confidence



Program Management Plan

- ❑ Channels of communication/authority
- ❑ Timeliness and quality of deliverables
- ❑ Site wide reviews distrib/completeness
- ❑ ES&H reviews – process/checklist
- ❑ Schedule control – tracking
- ❑ Proposal evaluation – PEC committee
- ❑ Pricing and savings verification



Procurement Process

- ❑ Issue RFP (hunting license + known)
- ❑ Receive Audits and AMP proposals
- ❑ Activate proposal evaluation committee
- ❑ Oral presentations/customer visits
- ❑ Receive first Delivery Order proposals
- ❑ PEC award recommendations
- ❑ Negotiations/sign Delivery Order



UIP Deliverables

- Risk minimization project development
 - Audit proposals: $\pm 25\%$ cost accuracy
 - Feasibility Study: $\pm 10\%$ cost accuracy
 - Design: Costs based on best actual bids
 - Construction: Full project management
 - M&V: Standard Protocol – Baseline
 - Commissioning: O&M plan/training



Program Controls

- Notice to Continue (NTC)
 - Proceed to next phase
 - Price reasonableness/review checks
- Project Adjustment Request (PAR)
 - Scope modifications/discoverables
- Spreadsheet reconciliation for D.O.
- Project Schedules
- Weekly Meeting Minutes



Mission Focus

Develop and ***execute*** strategies that increase the reliability and robustness of ***infrastructure systems*** to strengthen the base from which ***existing*** and ***future*** mission objectives can be accomplished ***safely*** and ***without interruption***



Utility Third Party Financing

Risk Level ↑	1	C	B	A
	2	D	C	B
	3	E	D	C
	4	E	E	D
	5	E	E	E
		Low	Medium	High
		→ Probability of Failure		



Utility Third Party Financing



June 2-5, 2002

www.energy2002.ee.doe.gov

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SMART Facilities

The Integrated Workplace

The ability to gather, assess, and manipulate various real-time and empirical data to more efficiently identify, control, & manage operations:

- Improve O&M costs and reliability
- Reduce manual data entry-BAS, CMMS, SCADA, FIMS, ArcIMS, GIS, FIRUS
- Energy procurement and curtailment